

Message Text

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ACTION EB-11

INFO OCT-01 ARA-16 ISO-00 FMC-04 AGR-20 CIAE-00 COME-00

INR-11 LAB-06 NSAE-00 RSC-01 SP-03 STR-08 TRSE-00

SWF-02 CIEP-03 FRB-03 OMB-01 DODE-00 DOTE-00 CG-00

COA-02 DLOS-07 L-03 PA-04 PRS-01 USIA-15 DRC-01 /123 W
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R 191415Z SEP 74

FM AMCONSUL RIO DE JANEIRO

TO SECSTATE WASHDC 1406

INFO AMEMBASSY BRASILIA

AMCONSUL RECIFE

AMCONSUL SAO PAULO

LIMITED OFFICIAL USE RIO DE JANEIRO 3552

E.O. 11652: N/A

TAGS: EWWT, BR

SUBJECT: REQUEST FOR DATA ON COTTON SHIPMENTS TO THE FAR EAST

REF: STATE 200071

THIS RESPONSE IS FOR RIO, SAO PAULO AND RECIFE

1. CONSULATE GENERAL HAS OBTAINED FOLLOWING INFORMATION
ON FREIGHT RATES FOR COTTON EXPORTS FROM BRAZIL/FAR EAST/
BRAZIL FREIGHT CONFERENCE FOR DATES REQUESTED REFTEL.
ACCORDING TO CONFERENCE, THERE IS NO DISTINCTION BETWEEN
CONTRACT AND NON-CONTRACT RATES. RATES ARE APPLICABLE
TO MAIN PORTS OF RIO DE JANEIRO, SANTOS AND PARANAGUA,
PLUS OUTPORTS OF RECIFE AND FORTALEZA FROM WHICH
SIGNIFICANT AMOUNTS OF COTTON ARE SHIPPED.

A) HIGH DENSITY, MEASURING MAXIMUM 1.7 CUBIC METERS
PER TON. RATE BASIS METRIC TON. 7 \$58.00 ON AUG 1, 1972 AND
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AUG 1 1973. US \$62.65 ON JULY 31 1974. B) MEDIUM DENSITY,

MEASURING FROM 1.7 TO 2.3 CUBIC METERS PER TON. RATE BASIS METRIC TON. US\$76.20 ON AUG 1 1972, AND AUG 1 1973, US\$82.30 ON JULY 31 1974. C) LOW DENSITY, MEASURING OVER 2.3 CUBIC METERS PER TON. RATE BASIS CUBIC METER. US\$38.70 ON AUG 1 1972 AND AUG 1 1973. US \$41.80 ON JULY 31, 1974.

2. ABOVE RATES APPLICABLE TO JAPAN AND MAIN PORTS FAR EAST (HONG KONG AND SINGAPORE). DIFFERENTIAL IN EFFECT FOR OTHER FAR EAST PORTS FOR TIME PERIODS UNDER CONSIDERATION. THIS IS US\$4.20 FOR TAIWAN AND US\$26.50 FOR VIETNAM. NO FIXED DIFFERENTIAL FOR KOREA OR PHILIPPINES. ADDITIONALLY, A BUNKER SURCHARGE OF 7 PERCENT FOR ALL BASIC RATES TO JAPAN AND FAR EAST WENT INTO EFFECT ON SEPT 1 1973. BUNKER SURCHARGE WAS 12.8 PERCENT ON AUG 1 1974 AND IS CURRENTLY 11.5 PERCENT. A CURRENCY ADJUSTMENT FACTOR MUST ALSO BE ADDED TO ABOVE. FACTOR WAS ZERO FOR AUG 1 1972 AND 1 PERCENT ON GROSS RATES (BASIC RATE PLUS DIFFERENTIAL PLUS BUNKER SURCHARGE) FOR AUG 1 1973. AS OF JULY 31 1974, IT IS 3 PERCENT ON GROSS RATE FOR JAPAN AND 7 PERCENT ON GROSS RATE FOR OTHER FAR EAST PORTS.

3. WE WERE FURTHER INFORMED BY CONFERENCE THAT THEY HAVE FILED FOR 19 PERCENT INCREASE IN BASIC RATES TO BE EFFECTIVE OCT 1.

4. REQUESTED INFORMATION ON PRICES OF EXPORT FOR RAW COTTON BEING DEVELOPED AT CACEX (BANCO DO BRASIL'S FOREIGN TRADE DEPARTMENT) AND WILL BE READY NEXT WEEK.

5. CONSULATE RECIFE HAS PROVIDED THE FOLLOWING INFORMATION OBTAINED FROM EXPERIENCED AND RELIABLE COTTON EXPORTER:

A) THE EXPORT PRICE OF RAW COTTON TYPE 3 SERTAO, WHICH IS SAID TO BE SIMILAR TO U.S. COTTON FOR THE 1972-73 COTTON CROP WAS 42 CENTS PER POUND FOB PER HIGH DENSITY BALE. FOR THE 1973-74 CROP, THE PRICE RANGED FROM 42 TO OVER 70 CENTS WITH AN AVERAGE OF 57.5 CENTS PER POUND FOB PER HD BALE.

B) THE OCEAN FREIGHT RATE FOR THE 1972-73 COTTON CROP WAS 58 DOLLARS PER TON (FOR HIGH DENSITY) WITH AN ADDITION OF 8 PERCENT CURRENCY ADJUSTMENT.

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C) EXPORTERS USING A QUOTE CONFERENCE LINE UNQUOTE, I.E., ONE ADHERING TO THE INTERNATIONAL SHIPPING CONFERENCE, THAT SERVICED FAR EASTERN PORTS NAMED IN REFTEL WERE PERMITTED A 5 PERCENT FREIGHT REBATE, PAYABLE AT END OF YEAR.

D) COTTON EXPORTERS USING BRAZILIAN NATIONAL SHIPPING LINE COULD OBTAIN AN ADDITIONAL 2 OR 2.5 PERCENT FREIGHT REBATE AFTER BEHIND-THE-SCENES, UNOFFICIAL NEGOTIATIONS.

MILLER

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Message Attributes

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